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TRGY, TSPL

SUBJECT: INDIAN CLIMATE NEGOTIATOR TELLS EUROPEAN AUDIENCE
THAT HE IS PESSIMISTIC ON UN NEGOTIATIONS

¶1. (SBU) In an April 30 speech delivered to the Center for European Policy Studies, Shyam Saran, India's Special Envoy for Climate Change, stated that the "western" approach to financing and mitigation in developing countries will not work and that financing should be based on the developing countries' priorities. He also argued that the economic crisis is not a way to convert economies to low-carbon societies, as many have claimed. Saran focused on four key topics during his speech targeted at a European audience:

- Positive outlook on the developments in the United States, including the Major Economies Forum (MEF); but
- Lack of optimism on the status of the UNFCCC negotiations;
- Questioning the EU's negotiating position vis-a-vis the developing world; and
- Highlighting India's efforts to reduce emissions.

¶2. (SBU) Saran was positive on developments in the United States, including the change of Administration and the Major Economies Forum (MEF), but did not comment on President Obama's proposed return to 1990 emissions levels by 2020. He praised the MEF as a forum that will help build an "atmosphere of confidence and trust." He said the technology discussion that took place during the MEF was very positive and something on which all countries should build to develop a common global platform for cooperation on carbon capture and storage (CCS), solar energy, and energy efficiency.

¶3. (SBU) In spite of his positive outlook on the situation in the United States, Saran is pessimistic on the UNFCCC negotiations. He argued that not much progress was made in Bonn in March, "very much less" than what should have taken place. Instead the negotiations are currently adversarial in nature, a trend that inevitably leads to a "least common denominator" solution. Nevertheless, he said that all countries should aim for an ambitious result in Copenhagen.

¶4. (SBU) Saran emphasized that despite press reporting, the international community is not negotiating a new climate change treaty. Instead, the effort is to develop an enhanced implementation of the existing treaty incorporating four areas: mitigation, adaptation, technology, and financing.

- He was concerned that not all developed countries have clearly indicated mid-term mitigation targets, and unless there is progress the possibilities for an agreement are reduced.

- He argued that adaption is as important, if not more so, than mitigation, and the adaptation fund needs much more money to address global issues. India alone, he said, spends 2-2.5% of its GDP on adaptation.

- Technology requires a global response, and several developing countries including India have significant resources -- intellectual capital prime among them -- to address the issue.

-- Financing is the most important concern, and according to Saran, requires the most work to come to agreement.

15. (SBU) Saran strongly questioned the EU's position vis-a-vis developing countries. He explained that the voices coming from Europe calling for major emerging economies to take binding commitments before developed countries adopt stronger targets have no legal basis. He noted that according to the Kyoto framework, there are no commitments required by developing countries, and the EU should accept low carbon strategies as sufficient, as opposed to the EU Commission's preferred 15-30% deviation below baseline. A cap on emissions, he argued, is a cap on development. He also explained that the EU's proposal to use revenues from carbon markets was untenable, as the inconsistent price of carbon prevents a predictable revenue stream. However, Saran did welcome the "lead" taken by the EU with its 20% reduction target, though he urged more ambitious targets.

16. (SBU) Saran detailed the existing efforts in India underway independent of an international agreement. He said that India has an ambitious national action plan that is being completely ignored by the press and developed countries. He highlighted national efforts to increase solar power, energy efficiency 20% improvement through 2012), sustainable habitats, and the Green India initiative to increase forest cover by 20-30%. Additionally, India is working to improve coal efficiency and CCS technologies, both key to continued use of coal resources. Saran indicated that there is strong engagement with the EU, an important part of the global response to energy R&D.

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